

111TH CONGRESS
2D SESSION

H. R. 6370

To amend the Small Business Act to prevent fraud in transactions involving certain small business concerns.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2010

Mr. NYE introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to prevent fraud in transactions involving certain small business concerns.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Pro-
5 curement Integrity Act of 2010”.

6 **SEC. 2. IN GENERAL.**

7 Section 16 of the Small Business Act (15 U.S.C. 645)
8 is amended as follows:

9 (1) SMALL BUSINESS PROCUREMENT FRAUD.—

10 In subsection (d)(1)—

1 (A) by inserting after “a ‘small business
 2 concern owned and controlled by socially and
 3 economically disadvantaged individuals,’” the
 4 following: “a ‘small business concern owned and
 5 controlled by service-disabled veterans’;” and

6 (B) by striking subparagraphs (A) through
 7 (D) and inserting the following:

8 “(A) prime contract, subcontract, grant, or
 9 cooperative agreement to be awarded pursuant
 10 to section 8(a), 8(m), 9, 15, 31, or 36;

11 “(B) subcontract that is to be included as
 12 part or all of a goal contained in a subcon-
 13 tracting plan required pursuant to section 8(d);
 14 or

15 “(C) prime contract or subcontract to be
 16 awarded as a result, or in furtherance, of any
 17 other provision of Federal law that specifically
 18 references section 8(d) for a definition of pro-
 19 gram eligibility;

20 shall be subject to the penalties and remedies de-
 21 scribed in paragraph (2).”.

22 (2) FALSE CLAIMS ACT APPLICATION.—In sub-
 23 section (d)(2)—

24 (A) in subparagraph (C), by striking the
 25 “and” at the end;

1 (B) in subparagraph (D), by striking the
2 period at the end and inserting “; and”; and

3 (C) by adding at the end the following:

4 “(E) be subject to penalties and remedies
5 imposed pursuant to sections 3729 through
6 3733 of title 31, United States Code.”.

7 (3) MISREPRESENTATION OF STATUS.—In sub-
8 section (e)—

9 (A) by inserting after “‘small business
10 concern owned and controlled by socially and
11 economically disadvantaged individuals’,” the
12 following: “a ‘small business concern owned and
13 controlled by service-disabled veterans’,”;

14 (B) by inserting “grant, cooperative agree-
15 ment,” before “prime contract”; and

16 (C) by inserting a comma after “prime
17 contract”.

18 (4) USE OF INELIGIBLE BUSINESSES; DETER-
19 MINATION OF LOSSES.—By adding at the end the
20 following:

21 “(g) USE OF INELIGIBLE BUSINESSES.—

22 “(1) IN GENERAL.—Whoever knowingly uses
23 the services of another business to perform a greater
24 percentage of work under a contract than is per-
25 mitted by such regulations issued by the Administra-

1 tion, or attempts or conspires to do so, shall be sub-
2 ject to the penalties and remedies described in sub-
3 section (d)(2).

4 “(2) CERTIFICATION DEEMED.—By submitting
5 a request for payment on a contract that is awarded
6 pursuant to section 8(a), 8(m), 15, 31, or 36, a con-
7 tractor shall be deemed to certify that it has com-
8 plied with regulations issued by the Administration
9 governing the percentage of work that the contractor
10 must perform on such contract unless the contractor
11 affirmatively states in writing that it did not comply
12 with the percentage of work requirement.

13 “(h) DETERMINATION OF LOSSES.—For purposes of
14 subsection (d)(2)(E), the loss to the Government and the
15 damages sustained by the Government, shall be deemed
16 to be the amount of money that the Government has paid
17 to the party that received the prime contract, subcontract,
18 grant, or cooperative agreement enumerated in subsection
19 (d), or the portion of the Government’s payments under
20 such a prime contract that were directed towards such a
21 subcontract. No credit for the fair market value of the
22 property or services provided to the Government shall be
23 applied against such loss or damages.”.

1 **SEC. 3. CERTIFICATION OF STATUS.**

2 Section 3(q)(1) of the Small Business Act (15 U.S.C.
3 632(q)(1)) is amended by inserting before the period at
4 the end the following: “and who possesses a disability rat-
5 ing letter issued by the Department of Veteran Affairs,
6 establishing a service connected rating between 0 and 100
7 percent, a disability determination from the Department
8 of Defense, or such other documentation as the Adminis-
9 trator shall by rule require to establish proof of such dis-
10 ability”.

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